Deficit of I.A.

2439. SHRI JIBON ROY: Will the Minister the CIVIL AVIATION be pleased to state:

(a) whether Indian Airlines is expecting a deficit of Rs. 251 crores during the fiscal year 2001-2002;

(b) if so, what is the latest position; and

(c) what steps are being taken to meet the deficit?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) The Budget Estimates of the Company projected a deficit of Rs. 251 crores for the year 2001-2002. The budgeted deficit reflects the combined impact of steep rise in the prices of Aviation Turbine Fuel (ATF) and other input costs such as Landing and Navigational Charges, Handling Charges, Security Expenditure, increase in Aircraft Insurance Premium, variation in foreign exchange rates etc. The domestic price of ATF, a major cost, had gone up by about 50% during the year 2000-01. As a result of this, the cost of operations has gone up substantially by an amount of over Rs. 300 crores.

Had the above cost escalation of ATF and other inputs not taken place, it would have been possible to project a net profit during 2001-02.

(b) The latest position is as under:—

(i) in the first two months of the current financial year i.e. April and May, 2001, the Company has made a net loss of Rs. 32.60 crores as against the budgeted net loss of Rs. 35.09 crores.

(ii) the Company has adopted the policy of flexible fares on its domestic network *w.e.f.* 25th May, 2001. The flexi-fare regime is expected to improve revenue earnings of the Company due to higher capacity utilisation and better yields. This coupled with various other measures taken by the Company is likely to have positive impact on the financial performance of the Company.

(iii) The Government has deregulated the domestic ATF price from 1.4.2001. In the anticipation of deregulation of ATF price, a saving in ATF cost has been assumed in the budget.

There was reduction in ATF price in April, 2001 and the savings were expected to be more than anticipated in the Budget. However, with the hardening of international price of ATF, the domestic price has again gone up since June, 2001. As a result, the additional savings in ATF cost due to deregulation may not materialise to the extent assumed in the Budget projections.

(c) The Company has taken various steps since August, 2000 to improve its financial and operating performance which have yielded the desired results in as much as there was substantial increase in the operating revenue as would be seen from the table below:

	2000-01 Budgeted	Achieved (Prov.)	1999-2000 Actual
			(Rs. in crores)
Operating Revenue	3681.00	3758.50	3549.17

Some of the measures taken to further improve the fiscal performance are as follows:

(i) Strict Budgetary Control where all the major items of expenditure are subject to cost benefit analysis and operational and commercial expediency etc.

(ii) Better Fleet Utilisation: Improvement in the productivity of Pilots, Aircraft Engineers, minimising the ground turn round time, night flights on certain domestic sectors, increased international operations, better scheduling of aircraft and route planning and capacity deployment in alignment with market requirements etc.

(iii) Improvement in the quality of product: Improvement in On-time performance, general improvement and upgradation of services to the users etc.

(iv) Marketing initiatives: Code sharing with the foreign airlines, High level of participation in Computerised Reservation System. Various promotional schemes including corporate incentives etc.

(v) Flexible Fares: Fixation of fares on seasonality, competition, timing of flight and other demand and supply variables;

(vi) Cost control measures: Control of overtime, casual labour, hotel/travel expenditure, crew lay over expenditure, freeze on recruitment unless

absolutely necessary for operational reasons, fuel monitoring and tankering, control on aircraft maintenance, reduction in publicity and sales promotional expenditure, review of uneconomic flights, inventory management, outsourcing of services to the extent feasible etc.

SC/ST employees sent abroad for training

2440. SHRI K. RAHMAN KHAN: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether approach course at Civil Aviation Training College, Allahabad is an eligibility for Senior Supdt. (Aerodrome) as Assistant Manager, if so, the rules and practices thereunder;

(b) the number of Senior Supdt. (Aerodrome) sent for training since 1999 and the number of them belonging to SC/ST; and

(c) whether the letter dated 2nd April, 1993 of NAA for specialized technical training abroad for SC/ST officers has been implemented; if so, the number of such officers sent for training abroad so far?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) Yes, Sir. As per the Recruitment and Promotion rules Senior Superintendent (Aerodrome) who have completed five years regular services and successfully undergone Integrated ADC Approach Control Course are eligible for promotion as Assistant Manager (Air Traffic Control).

(b) Since, 1999, 81 Senior Superintendent (Aerodrome) including 8 Scheduled Caste and 13 Scheduled Tribe officers were sent for training.

(c) After issue of letter dated 2nd April, 1993, 24 officers belonging to Scheduled Caste and 2 officers belonging to Scheduled Tribe have been sent abroad for training.

Import of poor quality chocolates

2441. DR. BIPLAB DASGUPTA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are aware that consequent on removal of quantitative restrictions on a number of objects, it is found that imported goods are st.'e, spoilt and chocolates taste is stinking and have fungus;